



AGENDA
CITY COMMISSION BUDGET WORKSHOP
COMMISSION CHAMBERS, CITY HALL
TUESDAY, JULY 28, 2015 5:30 PM

1. CALL TO ORDER
2. PRESENTATIONS:
 - A. Budget for Fiscal Year 2015-16 by City Manager - Special Revenue Funds; Debt Service; Capital Projects Fund; and Enterprise (Gas and Electric) Funds
3. DISCUSSION:
4. ADJOURN:

PERSONS WITH DISABILITIES NEEDING ASSISTANCE TO PARTICIPATE IN ANY OF THESE PROCEEDINGS SHOULD CONTACT THE HUMAN RESOURCES DEPARTMENT, ADA COORDINATOR, AT 728-9740, 48 HOURS IN ADVANCE OF THE MEETING.

F.S.S. 286.0105 "If a person decides to appeal any decision made by the Commission with respect to any matter considered at this meeting, they will need a record of the proceedings, and that for such purpose they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based." The City of Leesburg does not provide this verbatim record.



Budget Workshops

Fiscal Year 2015-16

Schedule

Tuesday, July 28, 2015

Special Revenue

Greater Leesburg CRA

Carver Heights CRA

Hwy 441/27 CRA

Police Education Receipts

Discretionary Sales Tax

Gas Tax

Recreation Impact Fees

Building Permits Fund

Housing Assistance

Debt Service

Capital Projects Fund

Enterprise Funds

Electric

Gas

Special Revenue



Greater Leesburg CRA

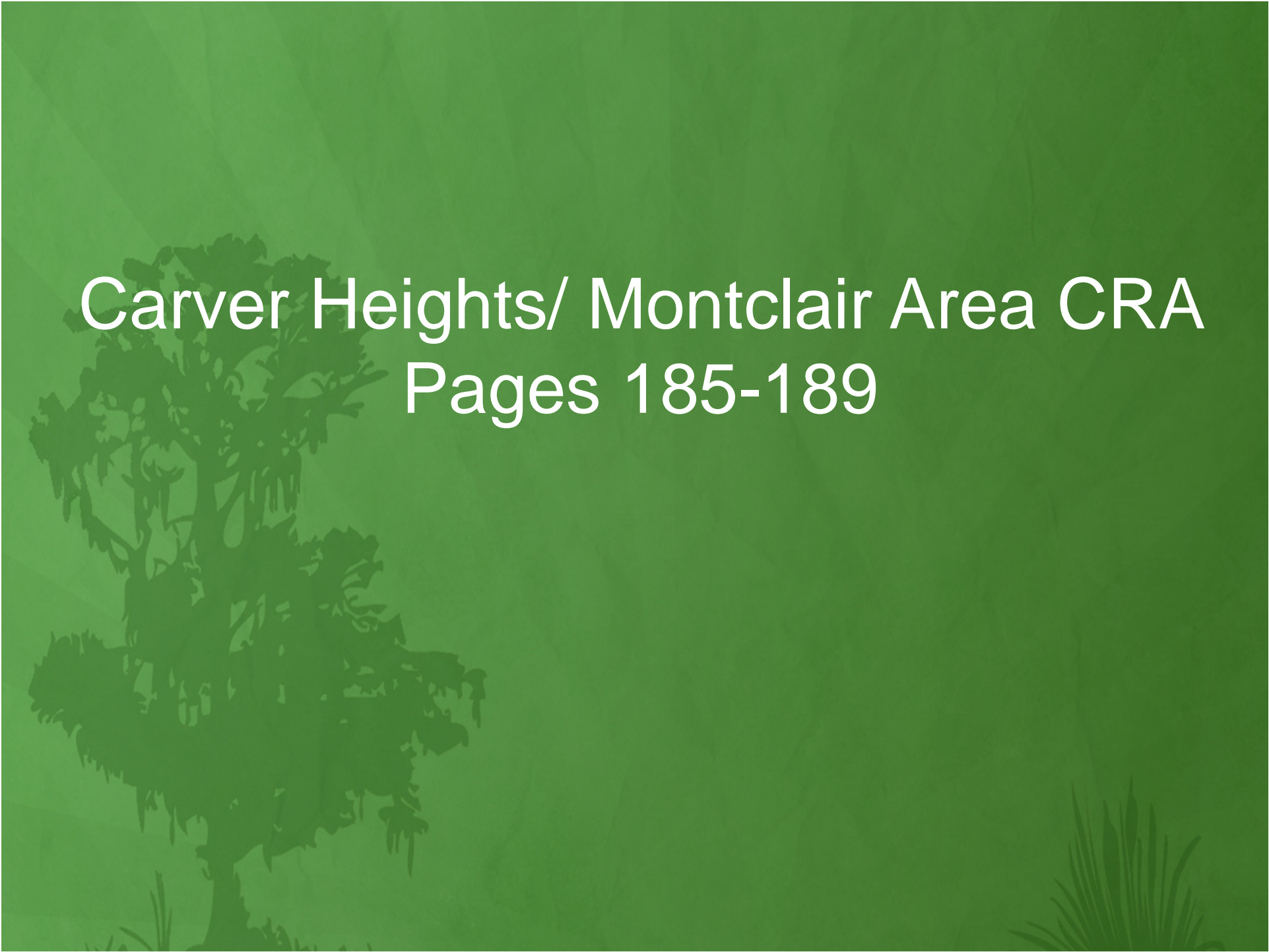
Pages 179-183



Greater Leesburg CRA Pages 182-183



	<u>2014-15</u>	<u>2015-16</u>
• Operating Expenses	\$ 165,395	\$ 157,993
• Debt Service	-0-	80,344
• Other Uses	<u>160,518</u>	<u>72,650</u>
Total Budget	\$ 325,913	\$ 310,987



Carver Heights/ Montclair Area CRA

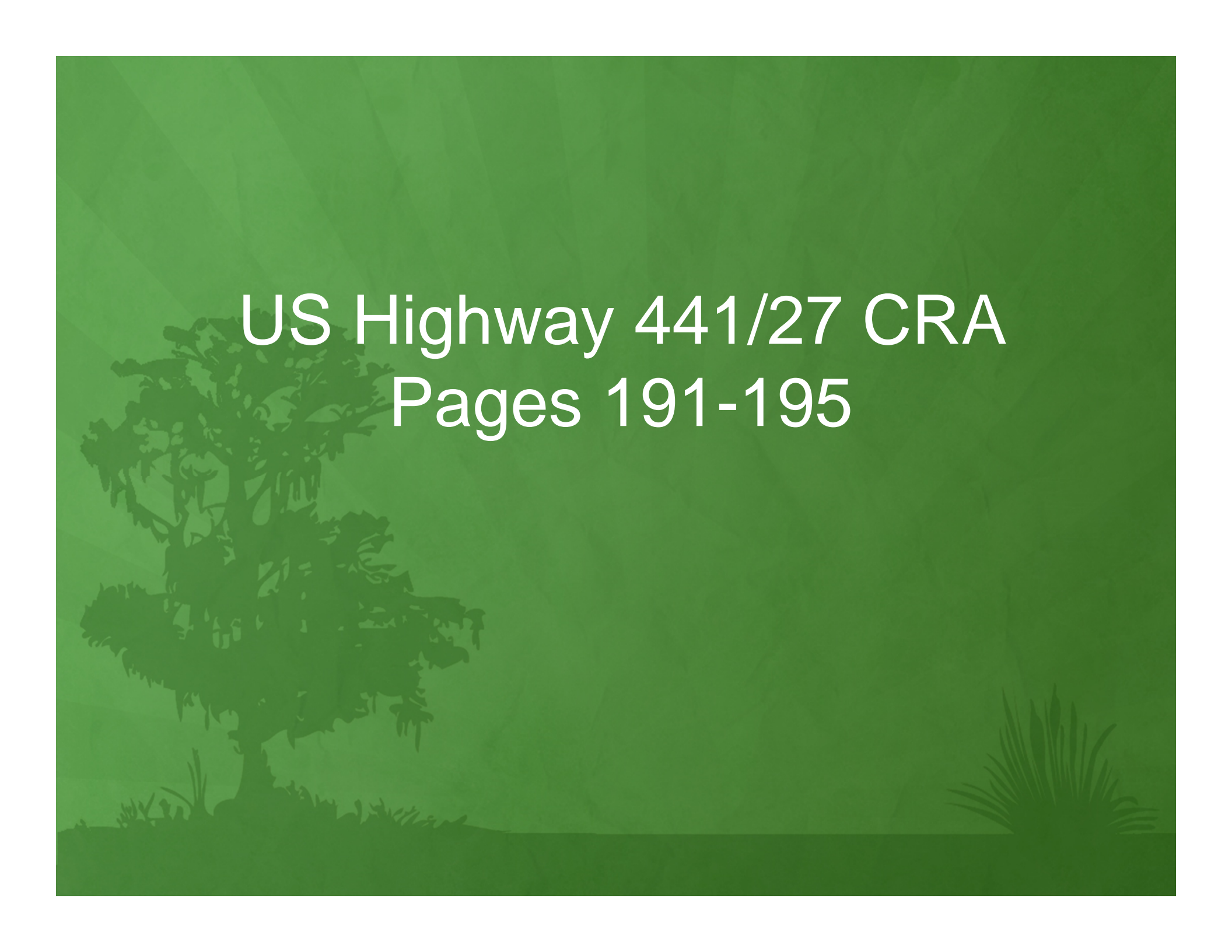
Pages 185-189

Carver Heights CRA

Pages 188-189

- Operating Expenses
 - Debt Service
- Total Budget


<u>2014-15</u>	<u>2015-16</u>
\$ 4,846	\$ 7,195
<u>204,493</u>	<u>306,899</u>
\$ 209,339	\$ 314,094



US Highway 441/27 CRA

Pages 191-195

US Highway 441/27 CRA Pages 194-195




	<u>2014-15</u>	<u>2015-16</u>
• Operating Expenses	\$ 3,314	\$ 2,500
• Debt Service	<u>798,482</u>	<u>904,419</u>
Total Budget	\$ 801,796	\$ 906,919

Police Education Receipts

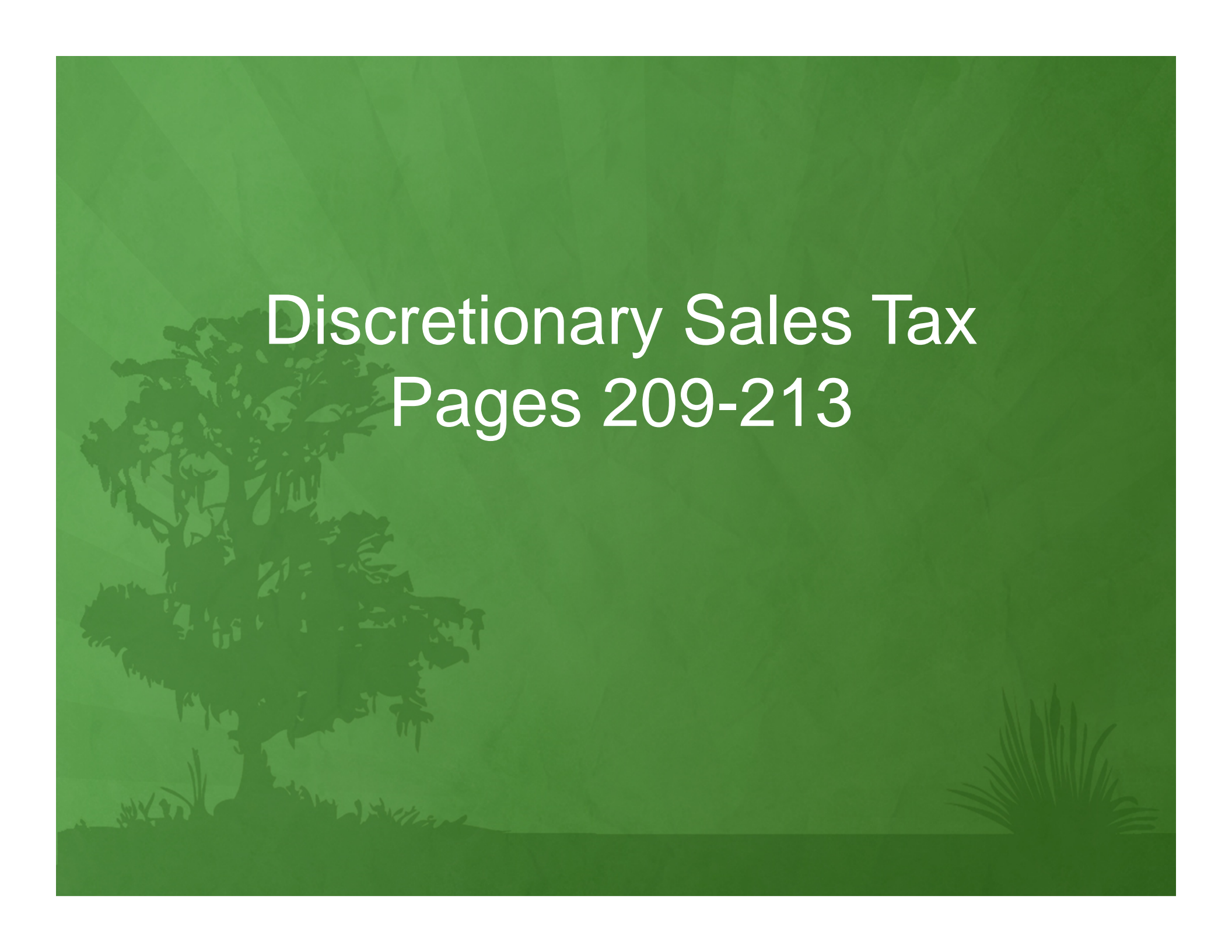
Pages 203-207



Police Education Receipts Pages 206-207



	<u>2014-15</u>	<u>2015-16</u>
• Operating Expenses	<u>\$ 12,000</u>	<u>\$ 12,000</u>
Total Budget	\$ 12,000	\$ 12,000



Discretionary Sales Tax

Pages 209-213

Discretionary Sales Tax Pages 212-213

	<u>2014-15</u>	<u>2015-16</u>
• Other Uses	<u>\$ 1,774,229</u>	<u>\$ 1,774,229</u>
Total Budget	\$ 1,774,229	\$ 1,774,229

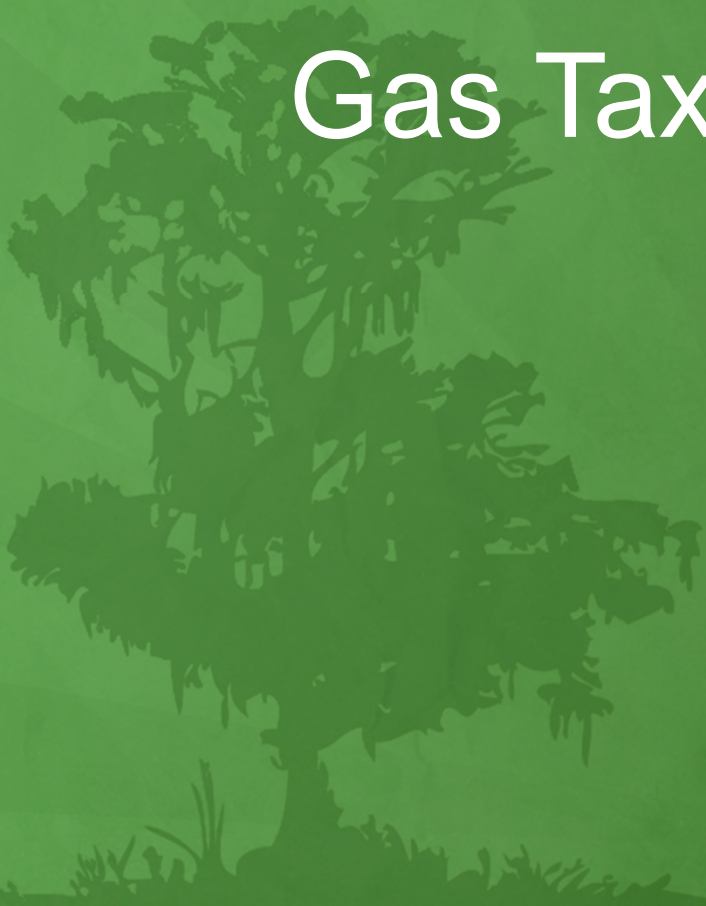
DST Expense Summary:

\$ 206,582 Emergency Equipment Purchases


\$ 540,597 Various Capital Projects

\$1,027,050 Debt Service- 2004 issue (refunded in 2013)

Gas Tax Pages 215-219



Gas Tax Pages 218-219




	<u>2014-15</u>	<u>2015-16</u>
• Operating Expenses	\$ 232	\$ -0-
• Other Uses	<u>923,761</u>	<u>923,993</u>
Total Budget	\$ 923,993	\$ 923,993

Recreation Impact Fees

Pages 233-237



Recreation Impact Fees Pages 236-237



	<u>2014-15</u>	<u>2015-16</u>
• Operating Expenses	\$ 79	\$ -0-
• Other Uses	<u>25,000</u>	<u>200,000</u>
Total Budget	\$ 25,079	\$ 200,000

Building Permits Pages 239-245



Building Permits Pages 244-245



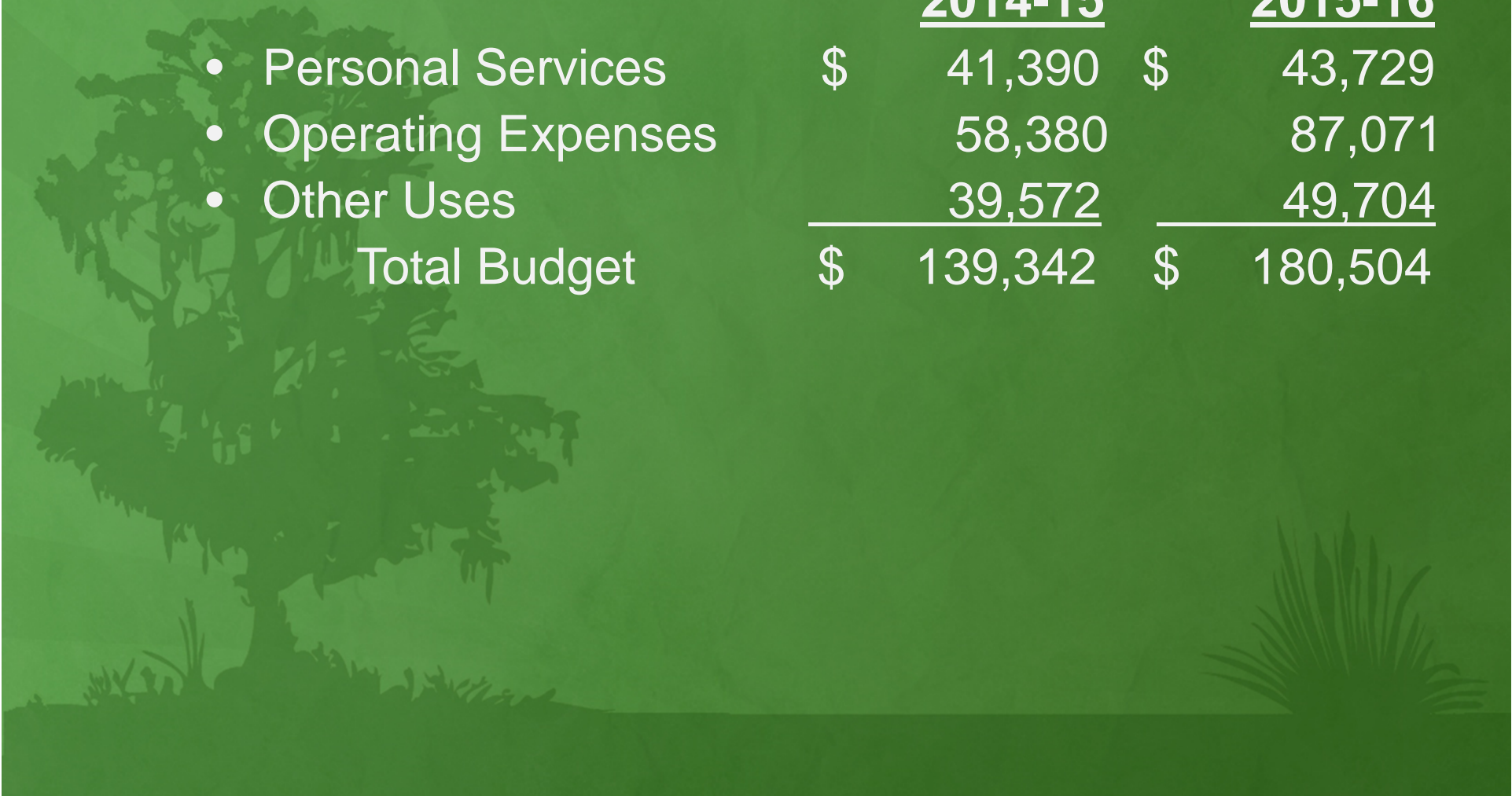
	<u>2014-15</u>	<u>2015-16</u>
• Personal Services	\$ 417,566	\$ 375,063
• Operating Expenses	94,803	97,642
• Other Uses	<u>188,271</u>	<u>150,195</u>
Total Budget	\$ 700,640	\$ 622,900

Housing Assistance

Pages 247-251



Housing Assistance Page 250-251

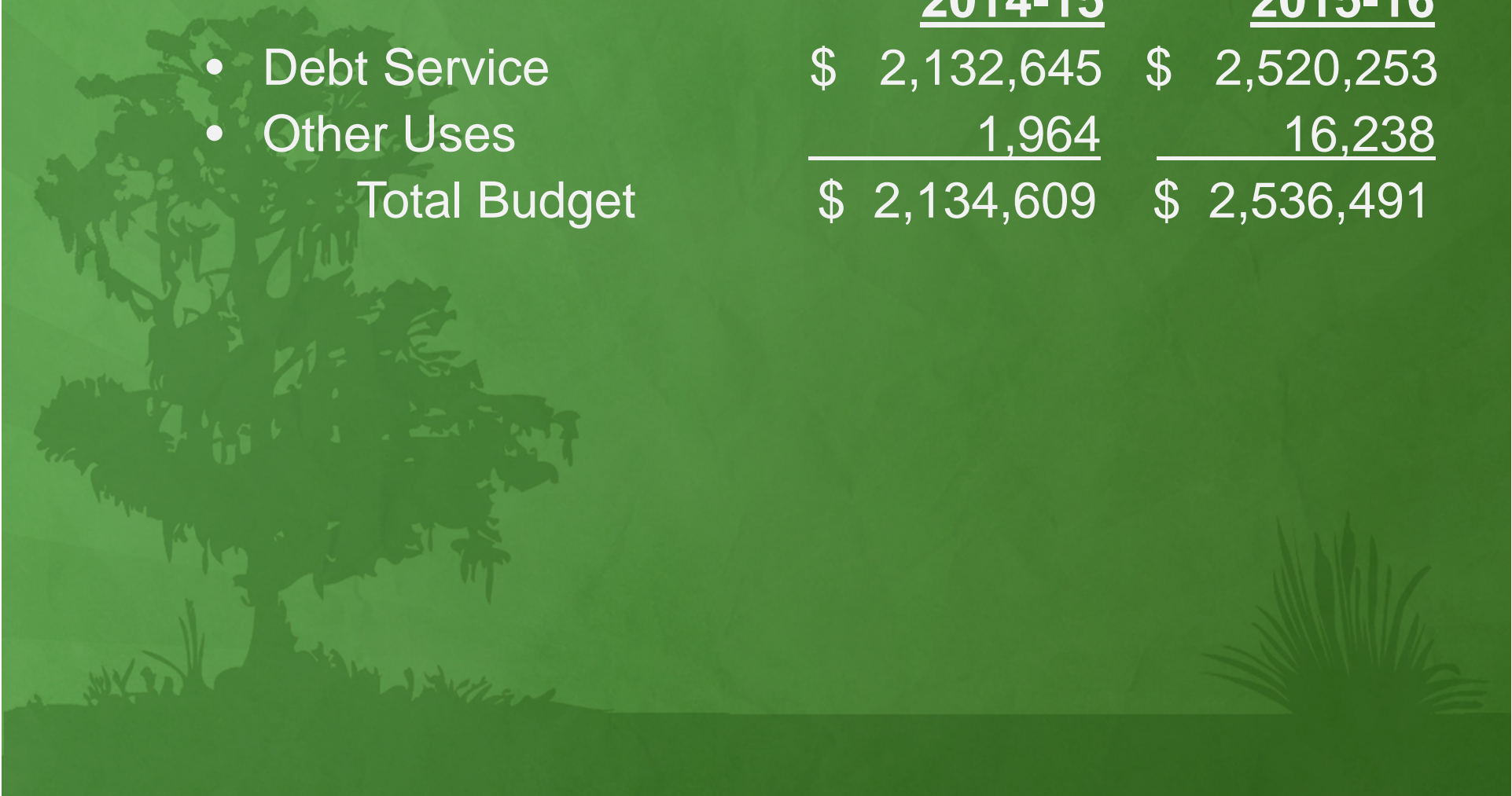


	<u>2014-15</u>	<u>2015-16</u>
• Personal Services	\$ 41,390	\$ 43,729
• Operating Expenses	58,380	87,071
• Other Uses	<u>39,572</u>	<u>49,704</u>
Total Budget	\$ 139,342	\$ 180,504

Debt Service Pages 253-256



Debt Service Page 256



	<u>2014-15</u>	<u>2015-16</u>
• Debt Service	\$ 2,132,645	\$ 2,520,253
• Other Uses	<u>1,964</u>	<u>16,238</u>
Total Budget	\$ 2,134,609	\$ 2,536,491

Capital Projects

Pages 257-264



310051 Public Works

Road Resurfacing	Gas Tax	500,000
Landscape Medians (Hwy 27 by High School)	Transfer from Discretionary Sales Tax	100,000
Mote Morris Re-roof	Transfer from Gas Fund	40,000
Restroom Facility (Ski Beach)	Transfer from Discretionary Sales Tax	100,000
Susan St. Restroom & Storage Bldg. \$350,000	Transfer from Discretionary Sales Tax	150,000
	Recreation Impact Fees	200,000
Sleepy Hollow Irrigation/Improvements	Transfer from Discretionary Sales Tax	60,000
John L. Johnson Park Improvements	Transfer from Discretionary Sales Tax	30,000
Shelter Replacements (Ski Beach)	Transfer from Discretionary Sales Tax	60,000
Sleepy Hollow Playground Resurfacing \$20,000	Transfer from Discretionary Sales Tax	15,597
	Transfer from Gas Fund	4,403
Veteran's Memorial Park Playground Replacement	Transfer from Gas Fund	20,000
Kids Korner Playground \$400,000	Transfer from Gas Fund	299,375
	Transfer from General Fund	100,625
Venetian Gardens Master Plan \$150,000	Transfer from General Fund	150,000
City Hall Elevator Renovations \$80,000	Transfer from General Fund	76,223
	Transfer from Solid Waste Fund	3,777
Hwy 441 Entry Sign (East)	Transfer from Solid Waste Fund	30,000
Hwy 441/27 Entry Sign (North)	Transfer from Solid Waste Fund	250,000
Herlong Park Train Renovations	Transfer from Solid Waste Fund	30,000
ADA Compliance	Transfer from Solid Waste Fund	50,000
Subtotal Public Works		<u>2,270,000</u>

310081 Recreation
Rails to Trails

Transfer from Discretionary Sales Tax	25,000
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Subtotal Recreation	25,000
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TOTAL	2,295,000
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Source of Funds

Transfer from General Fund	326,848
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Transfer from Gas Fund	363,778
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Transfer from Solid Waste Fund	363,777
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Gas Tax	500,000
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Transfer from Discretionary Sales Tax	540,597
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Recreation Impact Fees	200,000
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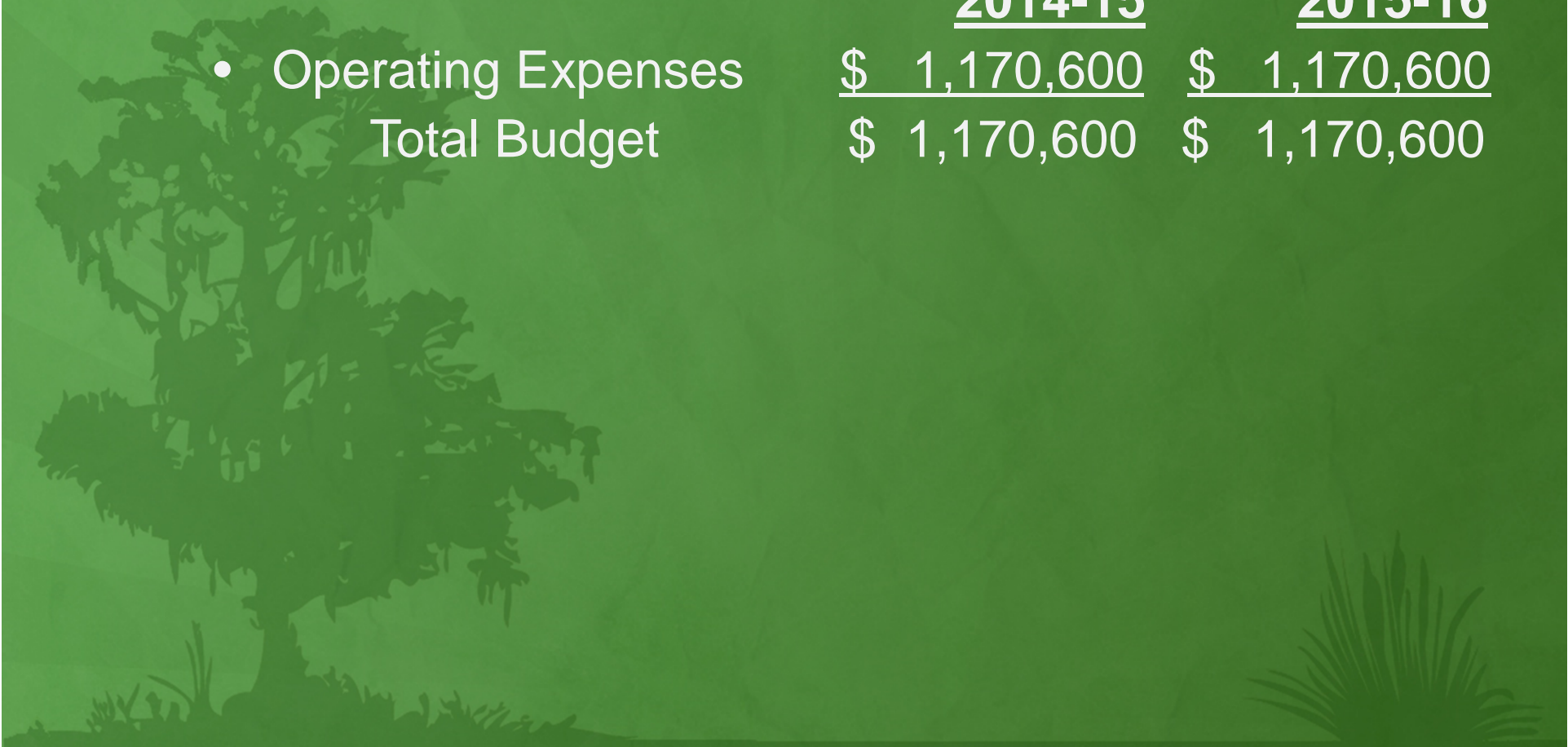
TOTAL	2,295,000
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Electric

Pages 265-294




St. Lucie Pages 272-273




	<u>2014-15</u>	<u>2015-16</u>
• Operating Expenses	<u>\$ 1,170,600</u>	<u>\$ 1,170,600</u>
Total Budget	\$ 1,170,600	\$ 1,170,600

Power Supply Pages 274-275




	<u>2014-15</u>	<u>2015-16</u>
• Operating Expenses	\$ 40,404,470	\$ 37,012,207
• Other Uses	<u>-0-</u>	<u>537,997</u>
Total Budget	\$ 40,404,470	\$ 37,550,204

Administration Pages 278-279



	<u>2014-15</u>	<u>2015-16</u>
• Personal Services	\$ 218,209	\$ 251,426
• Other Uses	<u>2,319,251</u>	<u>458,624</u>
Total Budget	\$ 2,537,460	\$ 710,050

Jobbing Page 281




	<u>2014-15</u>	<u>2015-16</u>
• Personal Services	\$ 40,152	\$ 31,000
• Other Uses	<u>3,000</u>	<u>13,000</u>
Total Budget	\$ 43,152	\$ 44,000

Distribution Pages 284-285



	<u>2014-15</u>	<u>2015-16</u>
• Personal Services	\$ 2,403,664	\$ 2,921,374
• Operating Expenses	1,434,438	1,888,176
• Other Uses	<u>20,000</u>	<u>10,000</u>
Total Budget	\$ 3,858,102	\$ 4,819,550

Smart Grid Pages 288-289



	<u>2014-15</u>	<u>2015-16</u>
• Personal Services	\$ 83,937	\$ 84,173
• Operating Expenses	<u>1,249,337</u>	<u>1,531,027</u>
Total Budget	\$ 1,333,274	\$ 1,615,200

Other Pages 290-291



	<u>2014-15</u>	<u>2015-16</u>
• Operating Expenses	\$ 6,642,108	\$ 8,227,573
• Debt Service	2,746,318	2,549,306
• Other Uses	<u>7,055,750</u>	<u>5,792,020</u>
Total Budget	\$ 16,444,176	\$ 16,568,899

Capital Projects 292-294

<u>WF/Job</u>	<u>Title</u>	<u>Funding Source</u>	<u>Amount</u>
<u>410002</u>	<u>Transformers (533,550)</u>	Renewal & Replacement	515,550
		Customer Contribution	18,000
<u>410003</u>	Capacitors	Renewal & Replacement	78,500
<u>410004</u>	<u>Distribution lines (795,000)</u>	Customer Contribution	235,000
		Duke CR 3 Settlement	560,000
<u>410005</u>	Sectionalizing Equipment	Duke CR 3 Settlement	195,000
<u>410006</u>	<u>Lights (213,250)</u>	Customer Contribution	51,200
		Duke CR 3 Settlement	162,050
<u>410008</u>	Other equipment	Duke CR 3 Settlement	150,000
<u>410010</u>	<u>Subdivisions (120,000)</u>	Duke CR 3 Settlement	45,000
		Customer Contribution	75,000
<u>410011</u>	Reconductoring (1,136,300)	Renewal & Replacement	817,550
		Duke CR 3 Settlement	187,950
		Customer Contribution	130,800
<u>410012</u>	Substations	Renewal & Replacement	263,900
<u>410013</u>	Structures	Renewal & Replacement	50,000

TOTAL	<u><u>3,535,500</u></u>
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Source of Funds

Duke CR 3 Settlement	1,300,000
Renewal & Replacement	1,725,500
Customer Contribution	510,000

TOTAL	<u><u>3,535,500</u></u>
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Electric Reduction Strategy

Per 1,000 Residential Kwh		
Current Rate	\$	138.95
\$500,000 GF Transfer Reduction	\$	(1.13)
BCPA Reduction	\$	(5.00)
Tiered Rates	\$	(2.00)
Debt Reduction	\$	(1.40)
Operational Savings	\$	(0.65)
NEW RATE	\$	128.77

Guiding Principle - Every \$500,000 Cut Equals \$1.13 Rate Reduction

Commission Action Step #1

1. Consider General Fund Transfer Reduction

A. \$1,000,000 Availability

B. Staff Recommendation:

Ø \$500,000 Cut, Leaving Funds Available in GF for Capital Projects.

C. Other Options:

- i. No GF Cut, Leaves Additional Capital Money in GF, But no Electric Rate Reduction (Not Advisable)
- ii. Full \$1,000,000 Transfer Reduction – Brings Maximum Rate Reduction (\$2.26), But Less Capital Funds for GF

Commission Action Step #2

2. Reduce the Bulk Cost of Power Adjustment (BCPA)

- A. Current BCPA is \$5,995,098
- B. BCPA Reserve Recommendation - \$3,000,000
- C. Reduction Recommendation Considers Increase in FMPA Costs for Taylor Swaps and Duke Settlement
- D. Cost Increases are Being Offset by Low Natural Gas Price, Hence Some Volatility in Projects
- E. Rate Can Be Reduced from \$32.00 to \$27.00 which equals \$5.00 Per 1,000
- F. Pursuant to City Policy, Staff Can Reduce BCPA

Commission Action Step #3

3. Consider Tiered Rates

- A. Tiered Rates Are Currently Implemented by Our Neighboring Electric Utility Competitors
- B. Initial Examination Provide \$2.00 of Rate Reduction for All Residential Customers for First 1,000 Kwh of Use
- C. Tiered Rates Will Provide Rate Relief for 65% of Customer Base
- D. Doug Handley Currently Preparing Data Analysis – Estimated that Tiered Rates Will Not Increase Customer Cost Until Approximately 1,800 Kwh of Usage
- E. Other Options:
 - i. Do Not Implement
 - ii. Reduce “Tiered” Amount

Commission Action Step #4

4. Debt Reduction

- A. Use Duke Energy Settlement to Retire Debt.
- B. Use Duke Settlement for System Improvements
- C. Other Options – Use Funds In Other Places
 - i. Apply to BCPA Fund (Larger Rate Reduction for Briefer Time)
 - ii. Use Funds to Retire 441/27 CRA Debt
 - a. Solve the “441/27” Debt Emergency
 - b. Create More General Fund Capital
 - c. No Rate Reduction

Commission Action Step #4 (cont.)

Staff Recommendation:

Use the Duke Settlement in Fashion that Provides All Utility Customers the Best Financial Plan, as there are Other Ways to Mitigate 441/27 CRA Debt and Still Have Reasonable GF Capital Budgets –

- A. Use the majority of the Duke Settlement (Approximately \$6.7 M) to Refinance Debt – Saving \$640,000 in Annual Debt Payments and Providing \$1.40 Per 1,000
- B. Use \$1.3 To Fund System Improvements (Reconductoring Main Feeders to the Villages Loop.

Commission Action Step #5

5. Operational Savings


- A. Overall Electric Options Reduced Approximately \$290,000 for a rate Reduction Amount of \$0.65.
- B. Staff Still In Conversations with GE For Additional Financial Relief
- C. Reductions Implemented by Adopted FY 16 Budget

Gas

Pages 295-314



Gas Purchases Pages 300-301



	<u>2014-15</u>	<u>2015-16</u>
• Operating Expenses	<u>\$ 3,251,388</u>	<u>\$ 2,383,331</u>
Total Budget	\$ 3,251,388	\$ 2,383,331

Administration Pages 304-305



	<u>2014-15</u>	<u>2015-16</u>
• Personal Services	\$ 132,764	\$ 254,425
• Operating Expenses	364,162	133,757
• Grants and Aides	<u>165,758</u>	<u>165,758*</u>
Total Budget	\$ 662,684	\$ 553,940

*Civic Funding

Distribution Pages 308-309



	<u>2014-15</u>	<u>2015-16</u>
• Personal Services	\$ 1,048,559	\$ 908,658
• Operating Expenses	260,867	250,139
• Other Uses	<u>(196,187)</u>	<u>(215,968)</u>
Total Budget	\$ 1,113,239	\$ 942,829

Other Pages 310-311



	<u>2014-15</u>	<u>2015-16</u>
• Operating Expenses	\$ 948,480	\$ 1,243,596
• Debt Service	390,958	389,150
• Other Uses	<u>2,583,998</u>	<u>2,568,842</u>
Total Budget	\$ 3,923,436	\$ 4,201,588

Capital Projects 312-314

420001 Meters (92,670)

Regular meters

Current Revenue 32,603

Customer Contribution 20,899

ERT meters

Current Revenue 20,776

Customer Contribution 18,392

420002 Mains

South Lake (Tony Benge)

Customer Contribution 43,018

420003 Tools & Equipment

Current Revenue 30,000

420008 Regulators (17,865)

Current Revenue 7,283

Customer Contribution 10,582

420009 Farm Tap/ Industrial Equip

Current Revenue 5,245

420010 Services (140,927)

Current Revenue 9,070

Customer Contribution 131,857

TOTAL

329,725

Source of Funds

Current Revenue 104,977

Customer Contribution 224,748

TOTAL

329,725